

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: GRANITE TELECOMMUNICATIONS, LLC	DOCKET NOS. TCU-03-16 TF-03-466 WRU-03-63-3736
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**ORDER GRANTING APPLICATION, APPROVING CONCURRENCE IN MAPS,
GRANTING WAIVER, APPROVING TARIFF, AND ISSUING CERTIFICATE**

(Issued November 17, 2003)

On October 8, 2003, Granite Telecommunications, LLC (Granite), filed with the Utilities Board (Board) an application for a certificate of public convenience and necessity pursuant to Iowa Code § 476.29 (2003), stating its intention to provide local exchange telecommunications service in the exchanges currently served by Qwest Corporation (Qwest). The application has been identified as Docket No. TCU-03-16. Granite has provided financial statements and the qualifications of its company officers and has stated it will support a 2-PIC dialing methodology for dialing parity. No objections to the application were received.

Also, on October 8, 2003, Granite filed a proposed local exchange tariff with the Board providing the terms, conditions, and rates for local exchange service in listed exchanges as described in Qwest's exchange maps and boundaries. The proposed tariff has been identified as Docket No. TF-03-466.

Iowa Code § 476.29(2) provides that a local exchange carrier shall not be denied a certificate if the Board finds that the applicant "possesses the technical,

financial, and managerial ability to provide the service it proposes to render and the Board finds the service is consistent with the public interest.”

The Board has reviewed Granite's application and finds the necessary technical, financial, and managerial ability to provide local exchange service has been demonstrated. The Board finds it is in the public interest to approve the application.

Granite also states that its service area will mirror the service territory of the exchanges and service area maps of Qwest as they are currently filed and may be modified in the future. Iowa Code § 476.29(4) requires that each certificate define the service territory in which land-line local telephone service will be provided and authorizes the Board to promulgate rules establishing the requirements for filing maps showing the service territory. Subrule 199 IAC 22.20(3) requires that all utilities have maps on file with the Board that show exchange boundaries. The Board finds that Granite has complied with the statutory and rule requirements by concurring in the exchange maps of Qwest.

On October 16, 2003, Granite filed a request with the Board asking that the Board waive the requirements of 199 IAC 16.5(2), 18.2, and 22.3(1). The request has been identified as Docket No. WRU-03-63-3736.

Granite requested a waiver of subrule 16.5(2), which requires the keeping of records according to the uniform systems of accounts. Granite states that it employs an accounting system in accordance with generally accepted accounting principles

(GAAP). The Board finds this waiver should be granted, since records kept in accordance with GAAP accounting are acceptable for a competitive local exchange service provider.

Granite also requests the requirements of 199 IAC 18.2 be waived. The rule requires that a regulated public utility keep its records in Iowa. The Board will grant the waiver based on Granite's statement that it will make the records available to the Board upon request.

Granite also requested a waiver of 199 IAC 22.3(1), requiring it to independently publish a directory. The Board will grant this waiver based upon Granite's statement that it will arrange for its customers to be included in the directories published by Qwest in the areas it provides local exchange service.

Rule 199 IAC 1.3 states that the Board may grant a waiver if it finds, based upon clear and convincing evidence, that the application of the rule would pose an undue hardship, would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver requests as described above and finds that the waiver meets the four criteria of the rule and the evidence in support of the waiver is clear and convincing.

Adherence to these rules would be an undue hardship on Granite because each rule would involve additional expense without necessity or benefit. The Board

finds there are no substantial legal rights of any person that are affected by these waivers and there is no statute that specifically mandates the actions waived. Additionally, the Board finds that there will be substantially equal protection for health, safety, and welfare provided since the actions waived will be completed under different circumstances.

The Board has reviewed the proposed tariff filed on October 8, 2003, and finds that the tariff substantially complies with Board rules for the filing and processing of tariff pages. The tariff contains rates for both business and residential customers. Notice was provided to all affected carriers. The Board will approve the tariff effective November 15, 2003, as requested and issue Granite a certificate of public convenience and necessity concurrent with this order.

IT IS THEREFORE ORDERED:

1. The application for a certificate of public convenience and necessity filed by Granite Telecommunications, LLC, on October 8, 2003, is granted.
2. The concurrence in the maps and boundaries of the exchanges of Qwest Corporation is approved.
3. The waiver of 199 IAC 16.5(2), 18.2, and 22.3(1), identified as Docket No. WRU-03-63-3736, is granted as described in this order.
4. The tariff filed by Granite Telecommunications, LLC, on October 8, 2003, identified as Docket No. TF-03-466, is approved effective November 15, 2003, as requested.

5. A certificate, identified as Certificate No. 0273, is being issued to Granite Telecommunications, LLC, concurrent with this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 17th day of November, 2003.